

consequences, if it is not \$33 billion if we do not include the interest, then at least look at the CBO scoring that says \$20 billion.

This legislation has been sort of promoted as a bipartisan agreement with overwhelming support by both rail management and rail labor. Why have they agreed so easily? I think the answer is because American taxpayers are footing the bill. Again, CBO has scored the cost at \$20 billion.

Let me go through some of the facts. The Railroad Retirement System already has an unfunded liability of \$39.7 billion. It is a pension fund in trouble. So with three retirees in the railroad industry, with three retirees for every worker, why would we go to the extent of not only reducing the taxes and contributions they pay in, but increasing the benefits they get out?

So we increase the benefits, we reduce the age for eligibility. Here again it seems to me that it only can be this kind of solution if we reach into the pockets of the American taxpayers. The industry would need to increase contributions from 21 percent of wages to 31 percent of wages for the next 30 years to cover this shortfall.

Accurate accounting shows that the industry has received at least \$85 billion more in benefits than it has paid in contributions. The rail industry has for many years, of course, received special government subsidies that are available to no other industry. Just to mention one, under current law, income taxes paid by rail retirees do not go to the U.S. Treasury. They are instead transferred to the Railroad Retirement System, costing taxpayers over \$5 billion. The government also currently pays the cost of Amtrak's social security contributions, costing taxpayers another \$150 million a year.

This kind of cost, this kind of implication, of precedent, should be going through this Chamber with a full debate and not through a special suspension calendar.

Let me just briefly comment in my closing minutes on specifically what the bill does. It repeals a 26.5 cent per hour employee contribution to supplemental annuities, it reduces employer contributions from the current 16.1 percent to 14.2 percent, and it expands benefits for widows and widowers. It reduces the vesting requirement from 10 to 5 years. It repeals the current gap on payment of earned benefits. Six, it reduces the minimum retirement age to 60 years old.

Mr. Speaker, I reserve the balance of my time.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Wisconsin (Mr. PETRI), chairman of the Subcommittee on Ground Transportation.

Mr. PETRI. Mr. Speaker, I thank the chairman for yielding time to me.

Mr. Speaker, I rise in support of the bill before us, the Railroad Retirement and Survivors' Improvement Act of 2000. H.R. 4844 will increase benefits for

widows and widowers of railroad retirees, and lower the vesting period from 10 years to 5 years, which is more consistent with private industry plans. It will also restore the retirement age from age 62 with 30 years of service to age 60 with 30 years of service.

Mr. Speaker, this is an excellent bill with advantages for both labor and management as well as for the general taxpayer. I urge my colleagues to support H.R. 4844.

Mr. OBERSTAR. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Michigan. Mr. Speaker, I reserve the balance of my time.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from New York (Mr. QUINN).

Mr. QUINN. Mr. Speaker, I want to take a minute to thank everybody who has been involved in this process: the gentleman from Pennsylvania (Mr. SHUSTER), the gentleman from Minnesota (Mr. OBERSTAR), the gentleman from Florida (Mr. SHAW), the gentleman from California (Mr. MATSUI), the gentleman from Wisconsin (Mr. PETRI), and many others not on the floor today, the gentleman from Illinois (Speaker HASTERT) being one.

I can remember back in July where many of us went to the Speaker to talk to him about the importance of this bill to try to get it on the calendar. While he is not on the floor discussing it today, I think he and others on both sides of the aisle played a huge role in getting us here today.

I did not rise to talk about the specifics of today's bill because whenever we talk about pension and pension plans we can get a little bit complicated. We have people on both sides of the aisle who have worked this issue. We have people like the gentleman from Florida (Mr. SHAW), who has worked with rail labor and others who understood the problems.

I rose today, this afternoon, just to talk a little bit about the fact that we have been at it now for almost 2 years. Mr. Chairman, talking about discussion, talking about compromise, talking about meeting each other halfway. We are about doing something that is good for a lot of people this afternoon, retirees, and some who will retire. Coming from a railroad family, my father put on 35 years on the South Buffalo Railroad back home.

There is a section here that talks about widows and widowers. This has been a patently and basically unfair rule for too many years, that just because a railroad worker dies, that pension for the widow or widower remains sometimes cut by two-thirds. In the meantime, that same family has the same mortgage bills and heating bills and taxes and prescriptions and all those other bills that come and go day-to-day, week-to-week, year-to-year.

I think more than anything else, Mr. Speaker, we are here to talk about righting some wrongs, doing the fair thing for railroad workers all across

the country. I enthusiastically support H.R. 4844, and ask all of our colleagues on both sides of the aisle to do the same thing this afternoon.

Mr. OBERSTAR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, not to oversimplify this issue, but to put it in very plain terms, there is more money being collected in taxes from workers in railroads than is necessary to pay out benefits under the current system.

The agreement reached does equity for both the railroads and the workers. The railroads, on the one hand, get money they can invest in improving their infrastructure, rolling stock, and trackage, and the workers—specifically retirees, widows and widowers, get benefits that they would not otherwise receive. That is what this is all about.

I want to point out that there was not 100 percent agreement between rail management and rail labor. Just after the agreement was reached, representatives of those labor unions, the majority, that supported the agreement and those labor unions, the minority, that opposed it, asked for my support, each on their terms, to support their viewpoint.

I felt it would be in everyone's best interests if rail labor were united in support of the agreement. So in attempting to reach a consensus with all of rail labor, the gentleman from West Virginia (Mr. RAHALL) and I made a proposal to rail labor which we then made to rail management to improve the benefit package.

We recognized we could not radically alter the agreement, but hoped to make the proposal more palatable to those who opposed it. Specifically, we suggested that the railroad companies allow workers to retire at age 58 with actuarially reduced benefits, but with full medical coverage until the employees become eligible for Medicare at age 65.

Today, rail employees can retire at age 60 with reduced benefits. They are not eligible for medical coverage until age 61. We thought we had made a reasonable, modest proposal. It was considered deliberately by railroad management, but unfortunately, we could not get the parties on both sides to agree to coalesce around this change.

In the end, having made that effort, I concluded that this was the best package that could be negotiated under the circumstances.

Most of rail labor is in support of this legislative package. It is good for both sides. It is a great improvement for retirees. The legislation ought to go forward. We ought to approve it in this body today. I, of course, give it my full and strong support.

Mr. Speaker, enacting H.R. 4844 will bring substantial benefits to the more than one quarter million men and women who work on America's railroads and the 700,000 retirees and survivors of retired railroad workers. At the same time the bill allows for a significant reduction in the payroll taxes paid by U.S. railroads. This is clearly a win-win proposition for